

Press Release

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Quarterly results as per 30 September 2010

PSP Swiss Property – Solid quarterly results, slight uplift of the full-year forecast.

During the reporting period January to September 2010, the results slightly increased compared to the previous year: net income excluding changes in fair value increased by 3.5% to CHF 108.4 million (previous year's period: CHF 104.7 million). At the end of September 2010, net asset value (NAV) per share was CHF 65.60 (end of 2009: CHF 64.95), despite the nominal value repayment of CHF 2.70 per share at the end of June 2010. NAV before deferred taxes amounted to CHF 76.80 (end of 2009: CHF 75.79).

Real estate portfolio

At the end of September 2010, the real estate portfolio included 178 office and commercial properties in prime locations as well as 7 attractive development sites with a total carrying value of CHF 5.369 billion (end of 2009: CHF 5.216 billion). During the reporting period, a property in Zurich was bought for CHF 45.1 million and five small assets from the investment portfolio were sold for a total consideration of CHF 15.0 million, resp. 21.4% above the last valuation.

Work on the development sites progressed as planned. The following developments are worth mentioning: i) Gurten site, Wabern near Bern: the building application for this project (conversion of existing properties and construction of new buildings) was submitted at the end of February 2010. Construction is scheduled to begin in mid-2011; this means that the project should be completed by the end of 2013. ii) Löwenbräu site, Zurich: The whole project will be realised stepwise by 2013. The first expansions and conversions are likely to be completed in 2011. The sale of the freehold apartments began in the second quarter of 2010 and is very promising. After the balance sheet date, a part of the site (art galleries and museums) was sold to the funding body of "Löwenbräu-Kunst AG", of which the City of Zurich holds a stake. The transfer of ownership will occur after completion of the construction, presumably in spring 2012.

Vacancy rate

At the end of September 2010, the vacancy rate stood at 9.0% (end of 2009: 7.5%). As expected and already communicated, the increase since the end of 2009 is due to the completion of the two new buildings in Wallisellen.

Of the 9.0%, 1.2 percentage points were due to ongoing renovation work on various properties. The properties in Zurich West and Wallisellen (carrying value CHF 0.8 billion) contributed 5.5 percentage points to the overall vacancy rate. The contribution by the core investment portfolio with a carrying value of CHF 4.3 billion (i.e. the investment properties excluding the objects under renovation as well as those in Zurich West and Wallisellen) is just 2.3 percentage points.

Quarterly results January to September 2010

Net income excluding changes in fair value increased by CHF 3.7 million to CHF 108.4 million. Corresponding earnings per share amounted to CHF 2.56 or 2.0% more than in the previous year's period (CHF 2.51).

The improved results compared to the previous year's period was mainly driven by the following factors: income from discontinued operations, lower operating expenses thanks to strict cost management as well as lower interest expenses.

Solid capital structure, low interest expenses

With a loan-to-value of 37.2% (end of 2009: 37.2%), the capital structure remains very solid. During the reporting period, interest rate hedging transactions were concluded, which will allow PSP Swiss Property to continue benefiting from the historically low interest rate levels in the medium term. No bank loans will be due until 2013; bonds totalling CHF 290 million will mature in 2012. PSP Swiss Property has unused credit lines of CHF 600 million. This substantial amount allows the Company to continue to flexibly manage its capital and is an excellent basis for acquisitions.

In the reporting period, the average interest rate was 2.58% (previous year's period: 2.52% resp. 2.54% for the whole 2009 business year). At the end of September 2010, the average fixed-interest period was 3.3 years (end of 2009: 3.0 years).

Outlook 2010

Due to the better than expected business development, the EBITDA forecast for the entire 2010 business year has been uplifted to "above CHF 215 million".

The vacancy rate forecast for the year-end has also been improved, and is expected to be below 9%.

Further information

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Quarterly report Q3 2010 and presentation

Both documents can be downloaded as PDF from www.psp.info.

http://www.psp.info/en/Investor_Relations/Reporting/Reports/Reports_2010

http://www.psp.info/en/Investor_Relations/Reporting/Financial_Presentations/Presentations_2010

Agenda

Publication of 2010 annual results	25 February 2011
Annual General Meeting 2011	1 April 2011
Publication of quarterly results Q1 2011	11 May 2011
Publication of 2011 interim results	16 August 2011
Publication of quarterly results Q3 2011	11 November 2011

PSP Swiss Property – leading Swiss real estate company

PSP Swiss Property owns office and commercial properties valued at CHF 5.4 billion in prime locations in Switzerland's main economic areas; its market capitalisation amounts to CHF 3.4 billion. The approximately 80 employees are based in Geneva, Olten, Zug and Zurich.

Since March 2000, PSP Swiss Property is listed on the SIX Swiss Exchange (symbol: PSPN, security number: 1829415, ISIN CH0018294154).

Key figures

Key financial figures	Unit	2009	Q1-3 2009	Q1-3 2010	Change % ¹
Rental income; like-for-like growth	CHF 1 000	264 559	200 285	196 627	- 1.8 1.7
Net changes in fair value of real estate investments	CHF 1 000	112 370	66 901	50 384	
Income from property sales	CHF 1 000	12 471	11 000	3 229	
Income from investments in associated companies	CHF 1 000	- 13	- 19	- 29	
Total other income	CHF 1 000	6 541	5 992	5 725	
Net income from continuing operations	CHF 1 000	228 076	164 400	143 734	- 12.6
Net income from discontinued operations	CHF 1 000	3 138	0	4 904	
Total net income	CHF 1 000	231 214	164 400	148 638	- 9.6
Total net income excl. gains/losses on real estate investments²	CHF 1 000	136 495	104 704	108 374	3.5
EBITDA excl. gains/losses on real estate invest.	CHF 1 000	221 113	168 090	171 951	2.3
EBITDA margin	%	79.5	80.6	82.0	
Total assets	CHF 1 000	5 304 607	5 278 434	5 447 235	2.7
Shareholders' equity	CHF 1 000	2 741 394	2 671 241	2 801 487	2.2
Equity ratio	%	51.7	50.6	51.4	
Return on equity	%	8.7	8.7	6.9	
Interest-bearing debt	CHF 1 000	1 975 206	2 034 902	2 024 846	2.5
Interest-bearing debt in % of total assets	%	37.2	38.6	37.2	

Portfolio key figures

Number of properties	Number	179	182	178	
Carrying value properties	CHF 1 000	4 997 237	4 994 861	5 178 616	3.6
Implied yield, gross ³	%	5.2	5.3	5.1	
Implied yield, net ³	%	4.4	4.5	4.4	
Vacancy rate end of period (CHF) ^{3,4}	%	7.5	9.2	9.0	
Number of sites and development properties	Number	8	7	7	
Carrying value sites and development properties	CHF 1 000	218 405	197 425	190 142	- 12.9

Employees

End of period	Posts	80	82	83	
Equal full-time employees	Posts	76	78	79	

Per share figures

Earnings per share (EPS) ^{5,6}	CHF	5.53	3.94	3.52	- 10.7
EPS excl. gains/losses on real estate invest.^{5,6}	CHF	3.26	2.51	2.56	2.0
Nominal value reduction per share	CHF	2.70 ⁷	n.a.	n.a.	
Net asset value per share (NAV)⁸	CHF	64.95	63.33	65.60	1.0
NAV share before deducting deferred taxes⁸	CHF	75.79	73.92	76.80	1.3
Share price end of period	CHF	58.50	60.00	72.65	24.2

- 1 Change to previous year's period 1 January to 30 September 2009 or carrying value as of 31 December 2009 as applicable.
- 2 "Consolidated net income excluding gains/losses on real estate investments" corresponds to the consolidated net income excluding net changes in fair values of the real estate investments, realised income on investment property sales and all of the related taxes. Income from the sale of properties which were developed by the Company itself is, however, included in the net income excluding gains/losses on real estate investments.
- 3 For properties.
- 4 Equals the lost rental income in % of the potential rent, as per reporting date.
- 5 Sum of continuing and discontinued operations.
- 6 Based on average number of outstanding shares.
- 7 For the 2009 business year. Cash payment was made on 23 June 2010.
- 8 Based on number of outstanding shares.